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MMS: Providing Energy for the Road Ahead

Meeting today's energy needs – as well as the energy needs of the future – is the daily challenge of the Minerals Management Service's (MMS) Offshore Minerals Management Program.

Energy

MMS has worked diligently for 25 years to build a successful offshore program that provides safe and environmentally sound Outer Continental Shelf (OCS) mineral resource development for the benefit of the American people. MMS is committed to achieving the proper balance among the priorities of providing energy, protecting coastal environments, and offshore worker safety.

As the steward of mineral resources on the OCS, MMS is responsible for all phases of mineral resource management in Federal waters, about 1.76 billion acres of submerged lands seaward of the States' coastal waters. Oil from the OCS has contributed about 30 percent of total U.S. oil production and 21 percent of total U.S. natural gas production. (These numbers are not adjusted for the significant decrease in the amount of oil and gas that was brought to market in 2005 from the Gulf of Mexico because of the hurricanes and storms.)

Energy production in the OCS plays a key role in the President's National Energy Policy, enhancing the nations energy security, supporting the economy, and ensuring America's quality of life. With passage of the Energy Policy Act of 2005, MMS also has lead authority for renewable energy projects, such as wind, wave, solar, and underwater current in offshore areas.

Environmental Protection

The environmental studies program is designed to protect the offshore environment from potential adverse impacts of mineral resource exploration. Marine archaeology, ocean currents, life forms in the extreme deep waters, sea ice conditions in Alaska, and marine mammals in the Gulf of Mexico are examples of some of the environmental studies that are currently underway. The studies provide scientific information that is critical to making sound energy resource and environmental management decisions.

Offshore Worker Safety

Safety in the offshore workplace is a top priority for MMS. An international leader in offshore safety, MMS has a regulatory program in place that sets standards for the design of facilities and the conduct of operations that is second to none. The Technology Assessment and Research program evaluates new technologies for possible use by the offshore industry with the dual goal of achieving an ever-increasing level of efficiency and providing the safest possible environment for offshore workers. Sound engineering standards and rigorous inspections are critical. MMS works closely with the energy industry to ensure the continued safety of offshore production facilities for offshore workers. It should be noted that as Hurricane Katrina bore down on the Gulf of Mexico in August of 2005, all of the thousands of offshore workers were evacuated without a single injury or fatality.

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Energy from the Deep

Energy exploration in the deep waters of the Gulf of Mexico is perhaps the most exciting aspect of offshore energy exploration today. Most of the energy discoveries of recent years have been found in the Gulf's deep waters, with 54 percent of the Gulf's 8,000 active leases in deep waters.

What qualifies as deep water? A water depth greater than or equal to 1,000 feet is generally considered to be deep water. A depth of greater than 5,000 feet is considered to be ultra-deep water. Five thousand feet is equal to about 33 "Statues of Liberty" stacked on top of each other. (The Statue of Liberty stands 151 feet from base to torch.)

Energy production has increased at a rapid rate in Gulf deep waters. In February of 1997, there were 17 new producing deep water projects, up from 6 at the end of 1992. More than 980 exploration wells have been drilled in the deepwater Gulf since 1995. At least 126 deepwater discoveries have been announced since then. As of March 2006, there were 118 deepwater hydrocarbon production projects on line. Production from deepwater was an estimated 950 thousand barrels of oil per day and 3.8 billion cubic feet of natural gas per day by the end of 2004.

Coastal Restoration

Eroding coastlines are an increasing concern as more and more people choose to make their homes in or near coastal areas. The Offshore Minerals Management Sand and Gravel Program fulfills the demanding role of providing sand and gravel to renourish coastal areas. The program provides geologic and environmental information to identify and make available OCS sand deposits that are suitable for beach nourishment and coastal wetlands protection. This proactive management and coastal restoration effort is beneficial in helping States and local communities in their efforts to stabilize receding shorelines.

Rigs Become Reefs

The Rigs to Reefs program provides a first-rate example of environmental stewardship and protection. The program supports and encourages the reuse of oil and gas platforms in the OCS for reef development. A platform can provide two to three acres of living and feeding habitat for thousands of underwater species whose survival depends on the protection provided by the structures.

The MMS offshore program is dedicated to securing America's energy future and quality of life while protecting offshore workers and the environment.

A Word on the Budget

The OMM budget request for fiscal 2008 is $160 million, which includes $6.1 million for new initiatives such as deep water safety, Five-Year Plan implementation, and hurricane damage recovery. At present, a Continuing Resolution is in effect that funds the government through Feb. 15, 2007.

MMS manages offshore oil and gas exploration as well as renewable and alternative energy sources such as wind, wave, and solar on 1.76 billion acres of the Outer Continental Shelf while protecting the human, marine, and coastal environments. MMS also collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, sharing revenues with states, American Indians and individual lease holders, and the U.S. Treasury. The revenues are also contributed to the Land and Water Conservation Fund and other special use funds. In Fiscal Year 2006, disbursements were made of approximately $12.8 billion, totaling nearly $164.9 billion since 1982.

For more information on the Minerals Management Service, go to www.mms.gov.

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